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FM AMEMBASSY BISHKEK
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INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
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RUEHBJ/AMEMBASSY BEIJING 2767
RUCPDOC/DEPT OF COMMERCE WASHDC
RHEFDIA/DIA WASHDC
RHMFISS/DEPT OF ENERGY WASHINGTON DC
RUEKJCS/OSD WASHDC
RUEAIIA/CIA WASHDC
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEKJCS/Joint STAFF WASHDC
RUEHGV/USMISSION GENEVA 1130
RUEHVEN/USMISSION USOSCE 3158
RUCNDT/USMISSION USUN NEW YORK 2544
RUEHNO/USMISSION USNATO BRUSSELS BE
RUEHBS/USEU BRUSSELS
RUEHLMC/MILLENNIUM CHALLENGE CORP
RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL

C O N F I D E N T I A L SECTION 01 OF 02 BISHKEK 001200

SIPDIS

DEPT FOR SCA (GORKOWSKI/DEUTSCH)

E.O. 12958: DECL: 12/01/2018

TAGS: ENRG ECON PREL SOCI PINR KG

SUBJECT: NO MORE COFFEE: NEW KYRGYZ ENERGY MINISTER BACKS
POWER CUTS

REF: A. BISHKEK 1174

1B. BISHKEK 593

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Classified By: Charge d'Affaires Lee Litzenberger, Reason 1.4 (b) and (d).

11. (C) Summary: As concerns mount over winter electricity supplies, President Bakiyev replaced Energy Minister Saparbek Balkibekov November 25 with electricity sector veteran Ilias Davidov. Immediately after assuming his post, Davidov called for more stringent cuts in power consumption in order to ensure basic power supplies through the coming winter. An industry insider cautioned Embassy that Davidov may be more reliant on Moscow's guidance in major decision-making. Despite shouldering blame for mismanaging the power sector, Balkibekov has been returned to his former post as head of the main power generating company in the Kyrgyz Republic. The Kyrgyz Republic faces a challenging winter, especially if a patchwork plan collapses. End Summary.

A New Face in the Hot Seat

12. (SBU) In his first official act upon returning from a month's absence in Germany for hip surgery, President Kurmanbek Bakiyev publicly scolded his cabinet for failing to take effective steps to conserve electricity and avoid an energy crisis this winter. Bakiyev subsequently replaced Saparbek Balkibekov with Ilias Davidov as Minister of Industry, Energy and Fuel Resources November 25. Davidov, like Balkibekov, worked at Electric Stations JSC, the state power generation monopoly, prior to assuming the ministerial post. An ethnic Tatar who was born in 1941, Davidov began working as an engineer in 1963 and has been employed in the Kyrgyz power sector ever since, most recently holding the deputy director general slot at Electric Stations JSC. Davidov spent much of his early career working in Osh, the country's second-largest city. While respected for his

expertise, Davidov was arrested in 2006 for bribing a police officer, but was later released.

Switching the Lights and Coffee Off

¶3. (SBU) Upon assuming his new post, Davidov stressed the need for more severe electricity cuts in order to ensure basic power supplies through the coming winter. With the main Toktogul hydroelectric cascade reservoir now down to nine billion cubic meters of water (about two-thirds of the level observed this time last year), energy sector analysts envision power cuts in some regions lasting up to 20 hours a day. While parts of Bishkek are suffering from power cuts lasting several hours, Embassy personnel who have recently visited Osh have reported cuts there lasting 12-14 hours. The power cuts, which generate considerable ill will toward the government, have sparked some spontaneous protests in some villages. The Hyatt general manager told Emboff November 27 that power sector workers recently instructed the Hyatt to shut off kitchen equipment, to include coffee makers.

Keeping Moscow in the Loop

¶4. (C) An energy sector insider told Embassy November 25 that Davidov had a more "pro-Russian" attitude, and expected Moscow to have greater influence in the sector. The insider, who previously worked with Davidov, described him as very engaged and vocal in the decision-making process, but also characterized him as being very "Soviet."

Balkibekov Down, But Not Out

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¶5. (C) While Bakiyev and others pinned blame on Balkibekov for the power sector's shortfalls, they ultimately decided that it was necessary to keep Balkibekov nearby. Within a day of his November 25 ouster from his ministerial post, Balkibekov was appointed director general of electric stations JSC, the main power generation company in the Kyrgyz Republic. Although Balkibekov held this post before becoming minister, it is surprising, given the blame assigned to him for bungling power supplies and conservation efforts, that he would be so quickly appointed to such a prominent position within the energy sector.

Comment

¶6. (C) Bakiyev's dramatic firing of Balkibekov may convince some that he is firmly in charge, but has no effect on the serious energy shortages the country faces. Nevertheless, it reveals the extent to which senior Kyrgyz officials are worried about the impact of winter power cuts, even if they have no effective plans to make up the power generation shortfall. Previous years saw sporadic outages, but unless this winter is extremely mild and/or a patchwork of coverage works (reftel A), even more serious measures may not be sufficient to ensure that some electricity is available through the entire winter.

LITZENBERGER